

Message Text

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ACTION AF-08

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TAGS: EGEN, EFIN, SOPN

SUBJECT: NEWSPAPERS LAUD ZAIRE'S ECONOMIC ACHIEVEMENTS

1. PRIOR TO PRESIDENT MOBUTU'S DEPARTURE FOR A MONTH'S TRIP ABROAD, LOCAL PRESS GAVE WIDE PUBLICITY TO ARTICLES IN WALL STREET JOURNAL AND HERALD TRIBUNE REPORTING INTERVIEW OF CITIBANK FRIEDMAN IN WHICH HE PRAISED ZAIRE'S PERFORMANCE, AS OF THAT DATE, IN HONORING ITS COMMITMENTS UNDER THE LONDON AGREEMENT BETWEEN THE GOZ AND PRIVATE BANKS. ZAIRIAN EDITORIALS WENT FURTHER STATING THAT, THANKS TO MOBUTU'S EFFORTS, PRIVATE BANKERS ONCE AGAIN HAD CONFIDENCE IN ZAIRE.

2. SHORTLY PRIOR AND SUBSEQUENT TO MOBUTU'S RETURN, LOCAL NEWS-PAPER ARTICLES AND EDITORIALS HAVE RESUMED GENERAL THEME THAT, AS A RESULT OF MOBUTU'S EFFORTS, ZAIRE HAS BASICALLY OVERCOME ITS ECONOMIC PROBLEMS WHICH ARE ATTRIBUTED ONLY TO THE FALL IN THE PRICE OF COPPER AND THE BLOCKAGE OF THE BENGUELA RAILROAD. WIDE PUBLICITY HAS BEEN GIVEN TO VISIT OF SMTF PRESIDENT, SPIRO. FROM READING THESE ARTICLES, ONE WOULD NEVER REALIZE THAT THE PROJECT HAS BEEN MOTHBALLED FOR APPROXIMATELY A YEAR. LIKEWISE, MUCH PUBLICITY IS BEING GIVEN TO VISIT OF IBRD VICE PRESIDENT,
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WAPENHANS, AND HIS STATEMENT THAT IBRD WAS PARTICULARLY INTERESTED IN ASSISTING ZAIRE WITH AGRICULTURAL PROJECTS.

3. IN ENLARGING UPON GENERAL THEME THAT FOREIGN GOVERNMENTS HAVE CONFIDENCE IN ZAIRE, THANKS TO MOBUTU'S EFFORTS, MENTION IS MADE OF THE 100 MILLION BELGIAN FRANC CREDIT TO ONATRA, EXIM AND PRIVATE BANK \$68 MILLION LOAN TO SNEL FOR INGA-SHABA, AND EVEN

USAID TEAM PRESENTLY VISITING ZAIRE TO UNDERTAKE GRAIN MARKETING STUDY.

4. EDITORIALS ALSO REPORT THAT PRESIDENT MOBUTU DISCUSSED POSSIBLE PRIVATE INVESTMENT DURING HIS EUROPEAN SEJOUR. EDITORIAL CONCLUDES BY DESCRIBING ZAIRE AS A COUNTRY WHICH EXCLUDES FROM ITS POLITICAL ECONOMY ALL NATIONALIZATION OF FOREIGN INVESTMENT.

5. THE FEBRUARY 11 EDITION OF AZAP CARRIES AN INTERVIEW PUBLISHED IN THE BELGIAN PUBLICATION SPECIAL WITH CITIBANK OFFICIAL MESERVE WHICH EXCEEDS THE LOCAL ZAIRIAN PRESS IN PRAISING MOBUTU AND HIS EFFORTS TO SOLVE ZAIRE'S ECONOMIC PROBLEMS. ARTICLE STATES THAT CITIBANK HAS A TRIPLE OBJECTIVE IN ZAIRE: TO AGREE TO LOANS AND TO BRING ABOUT INVESTMENT AND TO LEAD OTHER BANKS TO DO LIKEWISE. CITIBANK IS CONVINCED THAT ZAIRE IS CAPABLE OF SUCCEEDING WITH ITS ECONOMIC STABILIZATION PLANS AND WILL THEN REESTABLISH ITS FULL CREDIBILITY. CITIBANK HAS BEEN PERSUADED BECAUSE IT HOLDS PRESIDENT MOBUTU IN VERY HIGH ESTEEM. HE IS A COURAGEOUS STATES-MAN, WHO REASONS LOGICALLY AND WHO DARES TO ESTABLISH FINANCE REFORMS EVEN AT THE RISK OF UPSETTING CERTAIN PRIVILEGED PEOPLE." WHILE MESERVE AT ONE POINT DOES STRESS NEED FOR BETTER MANAGEMENT, THE OVERALL THRUST OF HIS INTERVIEW IS THAT THE CONFIDENCE IN ZAIRE'S ECONOMIC FUTURE. WE ARE POUCHING FULL ARTICLE.

6. COMMENT: NEWSPAPER ARTICLES APPEAR TO BE ENTIRELY FOR DOMESTIC CONSUMPTION. THEIR MOST OBVIOUS INTENTION IS TO PRAISE MOBUTU FOR HAVING RESTORED INTERNATIONAL CONFIDENCE IN ZAIRE. UNFORTUNATELY, THIS GENERAL THEME THAT ZAIRE'S PROBLEMS HAVE LARGELY BEEN RESOLVED DOES NOT LAY THE PROPER FOUNDATION FOR NEW LIMITED OFFICIAL USE

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AUSTERITY MEASURES WHICH WILL ALMOST CERTAINLY BE REQUIRED BY CONTEMPLATED NEW STABILIZATION PROGRAM AND IMF STANDBY AGREEMENT.
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Sent Date: 14-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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